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MEMORANDUM

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Arizona Corporation Commission

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TO: Docket Control Center

FROM: Steven M. Olea  
Director  
Utilities Division

2015 JAN 16 P 3:25

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

DATE: January 16, 2015

RE: ARIZONA WATER COMPANY REQUEST FOR EXTENSION OF COMPLIANCE  
DEADLINE (DOCKET NO. W-01445A-05-0701)

In Decision No. 68919, dated August 29, 2006, the Arizona Corporation Commission ("Commission") approved the application of Arizona Water Company ("Arizona Water" or "Company") for an extension of its Certificate of Convenience and Necessity.

As part of Decision No. 68919, the Commission ordered the following:

"... a copy of the fully executed main extension agreements for water facilities for the extension area within two years of the decision in this matter."

"... a copy of the Arizona Department of Environmental Quality Certificate of Approval to Construct for facilities needed to serve the extension area within two years of the effective date of this decision."

"... a copy of the developer's Certificate of Assured Water Supply, where applicable or when required by statute within two years of the effective date of this Decision."

Based on the August 29, 2006 date of Decision No. 68919, the original due dates for the above compliance items were on or about August 29, 2008. The Company subsequently received extensions of time such that the current due date for the above compliance requirements was August 29, 2014.

On June 30, 2014, Arizona Water docketed a filing titled "Application for Additional Time for Compliance Filing" seeking until August 29, 2016, for the provision of the remaining compliance items. Since the Company had filed the Approval to Construct ("ATC") with the Commission's Docket Control on August 22, 2013, the remaining compliance items from the above list are the Main Extension Agreement ("MXA") and the Certificate of Assured Water Supply ("CAWS"). The application provided rational for further extension of those items as follows:

*"The deep recession and real estate crash over the past several years (essentially the entire time that the Decision has been in effect) are extraordinary circumstances which have not been seen since the Great Depression. The severe economic downturn that has battered the Arizona real estate*

*market persists and continues to delay the development of residential and mixed-use development in Arizona, including Pinal County”*

The application also includes a letter from Integrity Land & Cattle LLC (“Integrity Land”) who owns all of the property within the CC&N expansion area outlined in Decision No. 68919. The letter updates the plan for development and reiterates the continued need for water service from Arizona Water.

Based on the application and all of the above, Staff does not object to the Company’s request for an extension of time until August 29, 2016 to comply with the remaining MXA and CAWS requirements outlined in Decision No. 68919. Staff further recommends that no further time extensions be granted in this matter.

SMO:BKB:vsc

Originator: Brian K. Bozzo

SERVICE LIST FOR: ARIZONA WATER COMPANY  
DOCKET NO. W-01445A-05-0701

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